

THE COMPASSION COMPONENT: WELFARE REFORM AND THE TRADITION OF SOCIAL JUSTICE

As Congress prepares to reauthorize the welfare reform law, lawmakers are divided over issues such as work requirements, aid for legal immigrants, and funding for childcare. Moral issues such as the responsibilities of individuals and the responsibility of government to promote social justice surround each of these policy issues. On July 16, 2002, the Pew Forum on Religion and Public Life hosted a panel discussion entitled, "The Compassion Component: Welfare Reform and The Tradition of Social Justice." During the panel religious leaders and experts on welfare policy discussed how our values should shape social legislation. The panel addressed the following questions: *What are government's obligations to the less fortunate in our society? How does government balance the need for compassion with attempts to encourage self-sufficiency? What criteria should be used to judge the success of welfare reform?*

Jim Wallis, Convener and President, Call to Renewal

Jim Wallis talked about paradigm shifts that need to be considered for reauthorization. During the debate on the 1996 welfare reform law, the poor were blamed for the failures of the welfare system. Personal responsibility for moving from poverty to dignity is important; however, the poor shouldn't be blamed for poverty. Instead of blaming the poor the social responsibility for helping the poor should be examined.

Assistance provided to the poor should not be viewed as a subsidy. Instead, assistance should be treated as an investment. Similarly childcare is not just a subsidy but a moral obligation. The poor should not be required to work if they do not receive assistance. In order to provide more childcare, partnerships with the faith-based community should be formed. Parents are concerned about the care and education of their children and they should not have to choose between being responsible workers and parents.

Dead end jobs should not be the result of welfare reform. Instead welfare reform should produce sustainable jobs and wages. Training, education, and literacy are critical to the success of work. Mr. Wallis recommended being generous rather than reluctant when counting education and training as work.

The last paradigm shift that was discussed was changing the definitions of success of welfare reform. Success is evaluated based on how many people move off the welfare rolls. However, this is only one criterion. Instead, there needs to be a change in the definitions to include how many people on assistance are moving out of poverty.

Mr. Wallis ended his discussion by talking about child poverty. One out of every six children in the U.S. is poor. One out of every three children of color in the U.S. is poor. The rate of child poverty in the U.S. is not acceptable. The success of welfare reform also needs to be evaluated by considering the well-being of children.

Jim Skillen, President, Center for Public Justice

Jim Wallis, convener and president talked about three interrelated principles. First, human beings are complex creatures that cannot be typed as poor for several reasons. Humans are not isolated but instead they have their families and communities. There are also different convictions about who we are.

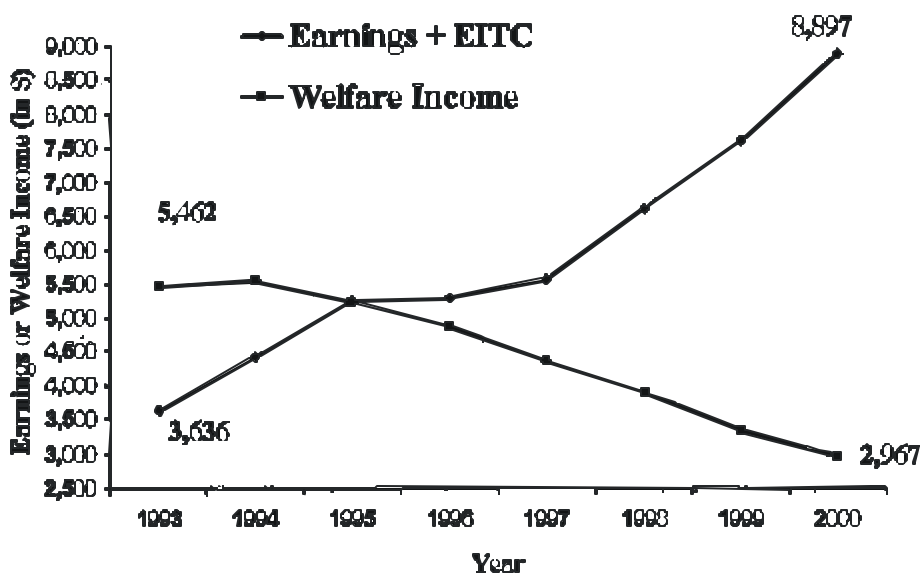
Another principle is that different institutions are responsible for those in critical need. There is no one institution that can solve all of a persons needs. Adequate welfare policies are grounded in social justice. Government needs to reform its policies so that it functions in partnership with other organizations, each with their own purposes. Similarly, a third principle is that social justice must be achieved in a communal and public way. Government cannot bear the burden of social justice alone. Partnerships must exist and there should be fair and equal treatment of diverse opinions and organizations.

Ron Haskins, Senior Advisor for Welfare Policy at the Domestic Council of the White House

Ron Haskins began his discussion by talking about the essential components of the current welfare system. The welfare system that was created in '96 decreased welfare dependency by emphasizing self-sufficiency. The old system of welfare reform was blamed for poverty not the poor. The current system includes supports such as EITC, food stamps, child care, and health care that provide benefits to those who work. These supports are essential ingredients for welfare. This new system is not based exclusively on entitlements and welfare recipients are responsible for their own behavior. The current welfare system with sanctions and time limits forces people to behave in a responsible way. The welfare system is bi-partisan. The law emphasizes personal responsibility which appeal s to conservatives. However, the law also supports liberal policies through the expansion of the work support system and subsidizing income.

In terms of outcomes, the success of welfare is not measured solely on how many people are moving off the welfare rolls. Instead factors such as employment, child poverty and earnings and income are being looked at. Dr. Haskins presented information from a chart (see below) showing earnings plus Earnings Income Tax Credit (EITC) in comparison to welfare income from 1993 to 2002. The data was collected for families headed by mothers with incomes less than \$21,000. From 1993 to 2000, welfare income, defined as cash plus means-tested food and housing benefits, decreased from approximately \$5,000 to \$3,000. During this same time period earnings which include the Earnings Income Tax Credit increased from approximately \$3,000 to almost \$9,000. Dr. Haskins remarked on the magnitude of the increase in earnings. Earnings are the key to the self-sufficiency.

Earnings Increase While Welfare Income Falls, 1993-2000



Note: Data are for families headed by mothers with total income of less than about \$21,000; welfare income is cash plus means-tested food and housing benefits; earnings include income from the Earned Income Tax Credit (EITC); values displayed in constant 2000 dollars.

Source: U.S. Census Bureau.

For reauthorization, the features of the '96 law should be retained. Dr. Haskins acknowledged that the system could be improved. He advocated for an expansion of the role of faith-based organizations.

Sharon Parrott, Co-Director of Federal TANF Policy for the Center on Budget and Policy Priorities

Sharon Parrott talked about what has occurred in the last six years since the passage of the Welfare Reform Law. There has been a decline in welfare caseloads. However, the decline in the poverty rate has not been as significant as the decline in welfare caseloads. Earnings have also decreased and they remain low over time.

Despite the decline in welfare caseloads, many families have been left behind. These families face serious barriers to employment and self-sufficiency. Examples of barriers include physical and mental impairment and substance abuse problems. These families require a different form of assistance in order to move them off the welfare rolls.

Ms. Parrott also posed a question to the audience about what has been learned from the experience of the last six years. In order to answer this question she suggested that the primary factors of moving people from welfare to work be examined. One of these factors is the strong economy which was a critical component. Another factor is funding. Before '96 welfare caseloads were declining; however, funding is based on a higher caseload. Another factor is flexibility. States were given more flexibility to create innovative programs to serve welfare recipients. The fourth factor that she talked about was work supports. More work supports such as childcare, EITC, and health care were provided to welfare recipients during this time period.

There are also many remaining challenges for moving welfare recipients to work. These include helping parents find better jobs, helping the most disadvantaged in the workplace, and providing more work supports.

Ms. Parrott also talked about the House and Senate versions of the reauthorization bill. The House version of the bill calls for more State work with families but does not provide enough funding or flexibility for States. The Senate version of the bill says that States need to work with families and allows for education and training. This version also authorizes more funding for childcare. However, the bill is not realistic on funding for States' welfare programs.

Although Ms. Parrott was unsure if Congress would be able to deliver a welfare bill, she said there was broad agreement over retaining the basic structure of the welfare system that was created in 1996. In the debate over welfare reform legislation there are not fundamental program issues like there were in 1996.

Robert Suro, Executive Director of the Pew Hispanic Center

Robert Suro talked about how the '96 law effected immigration. The law set out to eliminate the welfare magnet in which foreign-born immigrants are drawn to the U.S. for welfare benefits. The law wanted to reduce immigrant access to welfare benefits. However, after 6 years immigrants are continuing to come to the U.S. for employment in low wage jobs despite the fact that they are no longer eligible for welfare benefits. One fourth of low wage workers are foreign born. Since 1996, 4 million foreign born workers have joined the U.S. workforce. These immigrants are not seeking benefits but instead they came to the U.S. for work. Foreign-born Latino males are part of a single group with the highest level of employment. Yet these immigrants are the least experienced and educated in the workforce.

Congress has restored food stamp benefits for some immigrants. However, there is a fear among immigrants to seek benefits. Many are afraid that their citizenship will be in jeopardy if they receive benefits.

Immigrants are among the least paid employees. It is the goal of the welfare reform law to move people to self-sufficiency. However, work is not always the solution to poverty. Poverty also doesn't always lead to dependence.

Mr. Suro asked what society owed the people who do jobs such as serve our food. There is a challenge to move working people to working dignity. Yet, does society have a safety net for the working poor?

Ken Connor, President of the Family Research Council

Ken Connor talked about marriage. Two parent marriage-based families are the best way for the poor to get out of poverty. Marriage has profound moral significance. However, there has been a rise in the number of single parents. Cultural and economic changes have led to divorce and the demise of marriage. According to the census bureau, there was a 72% increase in cohabitation for the years 1990 through 2000. There has also been an increase in out-of-wedlock births. One-third of all babies born are born out-of-wedlock.

Mr. Connor commended President Bush for promoting marriage as a welfare program. Marriage provides financial and emotional security. People who are married are happier, healthier, and live longer. Children from single parent families are more likely to dropout of school and live below the poverty line.